Insts. II-57—100,000—31-5-52.

M

Dev (1952) Department.

Ms. SERIES.

G.O. No. 2524

Dated 14-6-52

[Despatch Abstract.]

Accounts - Industries Department - State Trading Schemes administered by Director of Industries and Commerce during 1948-49 - Government Silk Filatures, Kollegal and Scheme for distribution of imported Japanese raw Silk - Chief Auditor's Note for first half of 1948-49 - Orders passed.

BRIEF NOTE ON THE ACCOUNTS OF THE STATE TRADING SCHEMES ADMINISTERED BY THE DIRECTOR OF INDUSTRIES AND COMMERCE, MADRAS, FOR THE YEAR 48-49.

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GOVERNMENT SILK FILATURES, KOLLEGAL (FOR 1948-49/I HALF ONLY) PRODUCTION.

1. PRODUCTION: For want of cocoons the factory was kept closed from the 15th July, 1948 to the 30th September, 1948. Production of silk was above the normal yield of 5.6. per cent expected from cocoons of standard renditta. The percentage of duppion produced from double cocoons in May 1948 was very low. The percentage of wages paid to Cocoons consumed was rather high (more than 25) in the months of April, May and July 1948 the payment of 25% of wages amounting to Rs.1,715/- as Exgratia payment during July 1948 partly accounting for the high percentage in that month.

2. UNDERCHARGE:- The Joint Director in memo No.D1.6101/47 dated 21st October 1948 did not approve the action of the Sericultural Expert in having sold 300 lbs. and 560 lbs. of silk to Messrs. Chinai Trading Coy., and Messrs. Donti Venkatesam Setty, respectively at old rates. This resulted in an undercharge of a sum of Rs.1,600/-. The matter was under correspondence.

3. DELIVERY OF SILK :- SHORTAGE AND EXCESSES:--Fairly heavy shortages as also some excesses were found at the time of delivery of silk which was attributed to its hygroscopied nature. It seems desirable to fix a limit to such variations or in the alternative to make arrangements to get the filature silk conditioned and conditioned weight certified to by a proper and independent authority.

4. WEAVING SECTION: The weaving Section which was started as an experimental measure in 1947-48 continued during this half year also with twelve hand looms. But the sanction accorded for six months in G.O.No.3419 Development dated 25th June, 1948 remained to be got extended.

There was a marked increase in the weaving activities and sale of silk fabrics.

The desirability of having self contained and complete accounts including (1) proportionate establishment charges and contingencies, (ii) depreciation on looms, (iii) interest on capital utilised for the weaving section etc., has been suggested.

5. THEFT OF SILK FABRICS:-- A theft of silk ~~fabbie~~ fabrics from the weaving section on the night of the last August 1948 was ~~estimated at 55½ yds. ees~~ reported to the Police. The Police treated the case as undetachable. The loss was estimated at 55½ yds. costing Rs.321-0-6. The Joint Director has suggested fixing of responsibility on the employees who were negligent and recovering 50 per cent of the loss from them.

6. SUSPENSE ACCOUNT: Silk Fabrics were being sent to prospective purchasers for approval, keeping them in suspense account for fairly long periods. Where such a course is found necessary to adopt the period of suspense should not exceed a few days.

Despatches of fabrics to Madras to the Deputy Director of Industries (Marketing) for sale were kept in suspense account instead of treating them as outright transfers to be accounted for by the consignee.

7. GENERAL STORES: There was an unaccounted for difference of Rs.2125/- in the closing value of general stores as between the ledger balance and the book balance. The former figure was more.

p.t.o.

8. FINANCIAL RESULT: The financial position was not satisfactory. Due to paucity of cocoons 50% of shift system prevailed for some time and the factory was also temporarily closed for a period of nearly 2½ months during the half year. The price paid for cocoons was fairly high. The selling rate of silk was low and the concern sustained a loss of Rs.70,189/- during the half year.

9. RECOVERIES: -- A sum of Rs.161-2-0 was recovered or adjusted as a result of audit - vide annexure.

10. ACCOUNT OF JAPANESE IMPORTED FILATURE RAW SILK: Nine hundred bales of Japanese raw silk were received during the year. The conditioned weight of eleven out of these bales was 1465.44lbs. and they should have had a gross weight of 1547.94 lbs. after addition of average tare weight of 7½ lbs. per bale for packing mats and ropes. But according to the survey report of the shipping agents they weighed only 1517 lbs. There was thus a shortage of 30.94 lbs. Further, in respect of bale Nos. 2297 and 2570 of an aggregate conditioned weight of 238.38 lbs. 222 lbs. alone was taken to stock account i.e., 36.38 lbs. short.

(11) COIR FACTORY, BEYPORE - DELAYS IN REMITTANCE:- There were instances of considerable delays in remitting collection into treasury

12. WORKS: - A shed was constructed ad Naduvattam at a cost of Rs.575/-. without an estimate duly sanctioned by competent authority. Materials worth Rs.460/- were purchased in the market without inviting quotations. There was also no information if the work was measured and check measured by any responsible officer and a completion report obtained.

13. Purchase of coir Fibre:-- The Superintendent had been empowered to incur expenditure on purchase of stores upto limit of Rs.200/- at a time. This limit was, however exceeded in a number of cases without the approval of the Joint Director.

14. YARN AND FIBRE STOCK ACCOUNT:- The Vallikunnu unit which was closed on 15th August 1948, had a book balance of 49¾ lbs of hand made yarn and 992 lbs of Coir Fibre. These were not taken to account of Beypore Factory. It was stated that these articles did not exist. The shortages had not been regularised.

Stock entry was wanting in respect of 205 lbs of Machine made yarn transferred from Naduvattam unit. Further against 550 lbs of handmade yarn transferred from the same unit 535 lbs alone were taken to stock account.

15. COIR FIBRE ISSUED FOR MANUFACTURING YARN - NOT ACCOUNTED FOR:

Sixtynine lbs of coir fibre was issued in June 1948 from Naduvattam unit for the manufacture of handmade yarn. Relative stock entry in yarn account was wanting. Likewise relative stock entries were wanting in respect of 90 lbs, 100 lbs and 63 lbs of handmade yarn issued from Beypore for the manufacture of caedage ropes, brushmats and 3½" Coir ropes and 530½ lbs. of Coir fibre issued for spinning.

16. CONVERSION OF COIR FIBRE INTO YARN WASTAGE: A comparison of quantity of coir fibre issued and yarn manufactured showed huge differences between them. The difference was stated to be due to wastage. Permissible limit of wastage had not been prescribed.

17. BUYING AND SELLING : SCALES DIFFER:- Though Coir fibre was purchased in the scale of 700 lbs. per candy yarn prepared out of such fibre was sold in the scale of 800 lbs per candy in some cases resulting in loss.

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18. COIR YARN SCALE OF CONVERSION OF WEIGHT INTO HANKS:--

The scale of conversion of weight into hanks has not been prescribed.

19. CREDIT SALES:-- A sum of Rs. 6,940/- was pending collection from sundry debtors on 31st March, 1949. Authority for credit sales was wanting.

20. FINANCIAL RESULT:-- The concern has been working at a loss since its inception. The year's loss is Rs.14,222/-.

/True Copy/.

Vn.1.8.

1-8-56.

GOVERNMENT OF MADRAS.
ABSTRACT.

Accounts - Industries Department - State Trading Schemes administered by Director of Industries and Commerce during 1948-49 - Government Silk Filatures, Kollegal and Scheme for distribution of imported Japanese raw Silk - Chief Auditor's Note for first half of 1948-49 - Orders passed.

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DEVELOPMENT DEPARTMENT.

G.O.Ms.No.2529. Dated 14th June 1952.
Read the following:

From the Director of Industries and Commerce, No.5348-RI/49, dated 23.12.49, 2.3.50, 4.4.50, 7.9.50, 4.12.50, 26.5.51, 27.1.52, 26.2.52 and 14.4.52.

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O R D E R:

Recorded.

2. (i) Para 3:- Delivery of Silk-Shortage and excesses due to weather conditions:- The Director of Industries and Commerce is requested to submit a report on the results of the experiment conducted by the Sericultural Expert to fix up percentage of dryages.

(ii) Para 4: Weaving Section:- The Government accept the suggestion of the Director of Industries and Commerce that the question of maintaining self-contained and complete accounts for the Weaving Section may be taken up when it is made permanent.

(iii) Para 6:- Suspense Account:- The Director of Industries and Commerce is requested to submit a report on the steps taken by him to give effect to the suggestions of the Chief Auditor.

(iv) Para 7: General Stores: The Director of Industries and Commerce is requested to set right the difference in the closing value of general stores in the accounts for 1951-52 and submit a report in due course.

3. Orders on the points raised in the note of the Chief Auditor with regard to the Coir Factory, Beypore, will issue separately in the Rural Welfare Department.

(By Order of etc.,)

(Sd.) x x x
Secretary to Government.

To
The Director of Industries and Commerce, Madras.
Copy to the Rural Welfare Department (para 3 only).

/True Copy/.

R Thiagarajan 3.8.56
SUPERINTENDENT.
Madras Record Office, Madras.

Vn.31.7.

The 1-8.56.